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TRADE WITH CHINA

Says Controls Prevent Export of Strategic Goods, With Imports Helping U. S.

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WASHINGTON, Nov. 11—Secretary of Commerce Charles Sawyer reported today that export controls had prevented strategic materials from reaching Communist China. He opposed a flat embargo on goods for China, however, because of the significant value of imports delivered to the United States from that area.

In a strong defense of the Commerce Department's use of export controls, Mr. Sawyer pointed out that, since January, this country had not licensed for shipment to China any aviation fuel or lubricating oil; automotive fuel; Diesel, heating and other fuel oils, or kerosene. Only a small amount of other lubricating oils has been released, he said.

With particular reference to recent widespread interest in shipments of scrap rubber, mineral oil, vaseline and certain steel products, Secretary Sawyer said that they were of no strategic significance, particularly in the light of the relatively small quantities involved. He emphasized that the judgment of military, as well as commodity, specialists had been followed in determining what commodities should be controlled for export.

On the other hand, he said, significant quantities of tungsten, tin, tung oil, hog bristles, wool, animal hair and feathers, as well as tea and spices have been obtained by America from China.

The Senate Interstate and Foreign Commerce Committee. Senator Herbert R. O'Connor, Democrat of Maryland, who heads the subcommittee, said today that he planned to continue his investigations through a series of executive and public hearings covering the shipment of goods to Red China.

Mr. Sawyer told newsmen today that critical and strategic materials began to be withheld from Red China under his department's export-licensing policies early in 1949, when Communist forces began to drive southward in China.

The controls his department has exercised, Mr. Sawyer continued, have resulted in a decline in total exports to China from \$273,400,000 in 1948 to \$82,600,000 in 1949, and to \$33,000,000 through August of this year.

Imports, however, the Secretary said, have held steady and have substantially exceeded exports in 1949 and this year. Moreover, valuable items have continued to be imported in significant quantities. Imports of tungsten, which is used in steel production, were 3,923,000 pounds in 1948, 4,594,000 pounds last year and 6,668,000 pounds in the period from January to July of this year.

Mr. Sawyer added that shipments of raw cotton, which is used primarily for manufacturing textiles and which was in relatively free supply until recently, made up almost 85 per cent of our exports to China this year. Even such shipments, however, now have been shut off, he noted.

Our first concern, the Secretary said, was to shut off those goods that would really help the Communist armed forces, but at the same time to permit the shipment of small quantities of goods necessary